

SECTION 3 PLAN

LAKE COUNTY HOUSING DIVISION

LAKE COUNTY DEPARTMENT OF COMMUNITY SERVICES
OCTOBER 2011

Approved by the Lake County Board of County Commissioners

On February 7, 2012

OFFICE OF ECONOMIC OPPORTUNITY
FAIR HOUSING EQUAL OPPORTUNITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RESOLUTION _____

**A RESOLUTION TO ADOPT THE SECTION 3 PLAN
TO COMPLY WITH 24 CFR, PART 135 OF THE
UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT SECTION 3**

WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds, and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, the Lake County Housing Division staff has developed a revised Section 3 Plan in adherence to 24 CFR, Part 135 that more comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Section 3 Plan has been reviewed by the Lake County Housing Division senior staff members and their comments incorporated into the Plan.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners authorizes the Lake County Housing Division to adopt and implement the revised Section 3 Plan to ensure compliance with Federal Law.

APPROVED AND ADOPTED this _____ day of.

Chairperson

Witness

Table of Contents

	<u>Page</u>
General Policy Statement	4
Purpose	5
Section 3 Contracting Policy & Procedure	6
Section 3 Action Plan	7
Employment and Training Goals	8
Certification Procedure for Section 3 Program Participants	9
Assisting Contractors To Achieve Section 3 Goals	10
Preference for Contracting with Section 3 Business Concerns	11
Section 3 Business Certification	12
Contracting with Section 3 Business Concerns.....	13
Employment of Section 3 Program Participants.....	14
Contractor Requirements in Employing Section 3 Participants	15
Internal Complaint Procedure	16
 Definitions.....	 17-19
 Section 3 Contract Clause	 20
 Exhibits/Forms	
 Exhibit A: Assurance of Compliance	
 Exhibit B: Resident Employment Opportunity Data	
 Exhibit C: Contracting Policy & Procedure	
 Exhibit D: What Is Section 3 Business Concern?	
 Exhibit E: Order of Providing Preference	
 Exhibit F: Sample Plan	

General Policy Statement

It is the policy of the Lake County Housing Division to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

The Lake County Housing Division implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for Section 8 residents and other qualified low- and very low-income persons residing in Lake County.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of Lake County Section 8 residents and other eligible persons and business by Lake County contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The Lake County Housing Division shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to Lake County Section 8 residents prior to acting on any proposed contract award.

Section 3 Purpose

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires the Lake County Housing Authority or Lake County Housing Division to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to Section 8 residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons.

Section 3 Contracting Policy and Procedure

The Lake County Housing Services Division shall attach to each contract, or cause to be included into each contract, the following Section 3 Requirements, based on the Housing and Urban Development act of 1968, as amended, 12 U.S.C. 1701u (section 3). Such language may be incorporated into existing contracts by attaching an appendix, executed, and signed by both contractor and the Lake County Board of County Commissioners.

The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implements section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The contractor agrees to send each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor's obligations under 24 CFR part 135.

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the

work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Section 3 Plan

The Lake County Housing Division will develop a Section 3 Action Plan to identify the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3.

Lake County's intent to develop this plan is to include input from various county departments to include and, as well as HUD where applicable, input from other agencies and companies will be included.

Section 3 Employment Goals

It is the policy of the Lake County Housing Division to utilize Section 8 residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). Lake County has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30 - Numerical goal for meeting the greatest extent feasible requirement). The numerical goal is:

- Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All contractors submitting bids or proposals to the Housing Division are required to certify that they comply with the requirements of Section 3.

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects. The Section 3 Contract Clause is included in Exhibit 3.

Section 3 Program Participant Certification Procedure

The Lake County Housing Division will certify Section 3 program participants who reside in the County of Lake and who are seeking preference employment by completing and attaching adequate proof of Section 3 eligibility, as required (see Exhibit B – Resident Employment Opportunity Data).

- If the individual is deemed eligible for Section 3 participation and deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual's needs, i.e., substance abuse providers, workforce, etc.

Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

The Lake County Housing Division will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

- Requiring the contractor to present a list, to the Section 3 Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- Lake County Section 3 Coordinator will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.
- Lake County Section 3 Coordinator will provide contractor with a list of Section 3 businesses interested and qualified for construction projects.
- Lake County Section 3 Coordinator will inform contractor of known issues that might affect Section 3 residents from performing job related duties.
- Lake County Section 3 Coordinator will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood.

Preference for Contracting with Section 3 Business Concerns

The Lake County Housing Division, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the following order to priority:

- **Category 1:** Business concerns that are 51 % or more owned by residents of public housing, or whose full-time, permanent workforce includes 30% of these persons as employees.
- **Category 2:** Business concerns that are 51 % or more owned by residents of the Authority's Section 8 development(s) other than the housing development where the work is to be performed; or whose full-time permanent workforce includes 30% of these persons as employees.
- **Category 3:** Business concerns that are 51 % or more owned by a Section 3 resident(s), or whose permanent, full-time workforce includes no less than 30% Section 3 residents (category 4 business); or that subcontract in excess of 25% of the total amount of subcontracts to Section 3 business concerns.

Contractors and subcontractors are expected to extend to the greatest extent feasible, efforts to achieve the numerical goals established by the Lake County Housing Division.

Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the Lake County Housing Division must be able to provide a copy of the Section 3 Assurance of Compliance form as evidence of eligibility for preference under the Section 3 Program. The certification and/or letter shall be submitted along with bid packages.

Each applicant, recipient, contractor, and subcontractor on a Section 3 covered project shall sign the attached Section 3 Assurance of Compliance (exhibit "A").

Efforts to Award Contract Opportunities to Section 3 Business Concerns

The Lake County Housing Division will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Conduct workshops on Lake County Housing contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
- Contact the Eustis Public Housing Agency, contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
- Establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist SPHA with educating and mentoring residents with a desire to start their own businesses.
- Seek out referral sources in order to ensure job readiness for Section 8 residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance.

Employment of Section 3 Program Participants

- Participating Section 3 Contractors will be given a list of Section 3 qualified residents who reside in the area/location of the Federally funded project as the need for new hires arise.
- If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.) she/he will be allowed two additional opportunities to be referred to other contractors. If after that time the resident still does not perform satisfactorily, she/he will be removed from the list of Section 3 qualified residents
- Residents experiencing problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and employer, the Section 3 Coordinator will arrange for a mediation meeting to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them. The written documentation of the problem should be submitted to the Section 3 Coordinator.
- In order to qualify for employment with contractors, Section 8 residents must have their name(s) on a current lease, be current on rent, be at least eighteen years of age, and not be involved in any legal action with law enforcement (current documented eviction, criminal and drug activity or trespassing).

Contractor's Requirements in Employing Section 3 participants:

Under the Lake County Section 3 Program, contractors and subcontractors are required to:

- Provide employment opportunities to Section 3 residents/participants in the priority order listed below:
 - a) **Category 1 - Section 3 Resident**
Residents of the housing development or developments for which the contract shall be expended.
 - b) **Category 2 - Section 3 Resident**
Residents of other housing developments managed by the Eustis Housing Authority.
 - c) **Category 3 - Section 3 Resident**
Residents of Section 8 of the Lake County Housing Authority as well as all other residents residing in Lake County who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).
- After the award of contracts, the contractor must, prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:
 - names of the Section 3 business concerns to be utilized,
 - estimates of the number of employees to be utilized for contract,
 - projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon),
 - efforts that will be utilized to seek Section 3 participants. (See Exhibit 2)
- Contractors must notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The Section 3 Coordinator will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness. Additionally, the legal department will be contacted to ensure that the individuals are not involved in any legal proceedings against/with the Lake County Board of County Commissioners.
- Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, Lake County encourages submittal of such complaints to its Housing Services Director as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.

If complainants wish to have their concerns considered outside of the Lake County Housing Division a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development 451
Seventh Street, SW Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

Definitions

Applicant - Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, Section 8 agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

Assistant - the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern - a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contractor - any entity which contracts to perform work generated the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance - all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing Authority (HA) - Section 8 Agency.

Housing Development - low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

JTPA - The Job Training Partnership Act (29 U.S.C. 1579 (a)).

Low-income person - families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Metropolitan Area - a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

New Hires - full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient - any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Section 3 - Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern - a business concern,

- 1) That is 51 percent or more owned by Section 3 resident: or
- 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Covered Assistance -

- 1) Section 8 assisted individuals;
- 2) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Clause - the contract provisions set forth in Section 135.38.

Section 3 Covered Contracts - a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include

contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project - the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Resident - a Section 8 resident or an individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

Subcontractor - any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low-income person - families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Section 3 Clause

The County will ensure that the following clauses are included in all Section 3 covered contracts. The Contractor and subcontractors (where applicable) will be bound by its provisions.

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Exhibit A

ASSURANCE OF COMPLIANCE (Section 3, HUD ACT of 1968)

**TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES
FOR BUSINESS AND LOWER INCOME PERSONS**

- A. The project assisted under this (contract) (agreement) is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S. C. 170U. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.
- B. Notwithstanding any other provision of this (contract) (agreement), the (applicant) (recipients) shall carry out the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary set forth in 24 CFR Part 135 (published in 38 Federal Register 29220, October 23, 1973), and all applicable rules and orders of the Secretary issued thereunder prior to the execution of the (contract) (agreement). The (applicant) (recipient) certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.
- C. Compliance with the provision of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this (contract) (agreement), shall be a condition of the Federal financial assistance provided to the project, binding upon the (applicant) (recipient), its successors and assigns. Failure to fulfill these requirements shall subject the (applicant) (recipient), its contractors and subcontractors, its successors, and assigns to the sanctions specified by the (contract) (agreement), and to such sanctions as are specified by 24 CFR Section 135.

APPLICANT: _____

SIGNATURE: _____

ADDRESS: _____

DATE: _____

Exhibit B

**THE HOUSING
AUTHORITY or LAKE COUNTY
HOUSING DIVISION**

RESIDENT EMPLOYMENT OPPORTUNITY DATA

**THE HOUSING AUTHORITY
OR
LAKE COUNTY HOUSING DIVISION**

ELIGIBILITY FOR PREFERENCE

Eligibility for Preference

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

Certification for Resident Seeking Section 3 Preference in Training and Employment

I, _____, am a legal resident of the _____ and meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.

My permanent address is: _____

I have attached the following documentation as evidence of my status:

- | | |
|--|---|
| <input type="checkbox"/> Copy of lease | <input type="checkbox"/> Copy of receipt of public assistance |
| <input type="checkbox"/> Copy of Evidence of participation in a public assistance program. | <input type="checkbox"/> Other evidence |

Signature: _____

Print Name: _____ Date: _____

Phone: _____ Trade/Skill: _____

Exhibit C: Section 3 Policy and Procedures

The Lake County Housing Services Division shall attach to each contract, or cause to be included into each contract, the following Section 3 Requirements, based on the Housing and Urban Development act of 1968, as amended, 12 U.S.C. 1701u (section 3). Such language may be incorporated into existing contracts by attaching an appendix, executed, and signed by both contractor and the Lake County Board of County Commissioners.

The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implements section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The contractor agrees to send each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor's obligations under 24 CFR part 135. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogations compliance with section 7(b).

Exhibit D: What Is a Section 3 Business Concern?

WHAT IS A SECTION 3 BUSINESS CONCERN?

A Section 3 Business Concern is a business concern, as defined in this section—

1. That is fifty-one percent (51 %) or more owned by Section 3 residents; or
2. Whose permanent, full-time employees include persons, at least thirty percent (30%) of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of twenty-five percent (25%) of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in items (1) or (2) above.

Note: A business concern seeking to qualify for Section 3 shall certify and submit evidence that the business meets one of the guidelines stated above. (Refer to Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability Form - Exhibit 1)

WHO IS A SECTION 3 RESIDENT?

For purposes of the Housing Authority or Lake County Housing Division, a Section 3 resident is:

1. A Section 8 resident;
2. An individual who lives with Lake County and whose income falls within the guidelines for low- or very low income.

Exhibit E: Order of Providing Preference

ORDER OF PROVIDING PREFERENCE SECTION 3 BUSINESS CONCERN

When considering the award of contracts to business concerns, and more than one Section 3 business concern is being considered, to the greatest extent possible, awards shall be made in the following order of priority:

1. A Section 3 business concern that is fifty-one percent (51 %) or more owned by resident(s) of the Section 8 development in which the work is directed, or whose full-time, permanent employees include at least thirty percent (30%) of the residents of the Section 8 development in which the work is directed;
2. A Section 3 business that is majority owned by resident(s) of other developments owned by The Housing Authority or Lake County Housing Division, but not the housing development in which the work is directed, or whose full-time, permanent employees include at least thirty percent (30%) residents of other developments owned by The Housing Authority or Lake County Housing Division but not the housing development in which the work is directed;
3. A Section 3 business concern that is majority owned by a Section 3 resident who is not a Section 8 resident or whose permanent, full-time workforce includes no less than thirty percent (30%) Section 3 residents who are not Section 8 residents, or that subcontract in excess of twenty-five percent (25%) of the total amount of subcontracts to Section 3 business concerns.

Note: A Section 3 business concern seeking any of the above preferences shall submit evidence that it meets the guidelines of that preference.

Exhibit F: Sample Plan

SAMPLE PLAN

LAKE COUNTY SECTION 3 ECONOMIC OPPORTUNITY PLAN QUESTIONS

The Section 3 Economic Opportunity Plan must describe the proposed strategies for achieving the Section 3 training and employment numerical goals, and subcontracting numerical goals (where subcontracting is allowable in the Bid.)

Please review the information below, and provide your responses on separate paper. (A Section 3 Economic Opportunity Plan Instruction Sheet is attached to further assist you in developing your responses to the information requested below.)

1. Identify individual(s) responsible for planning, implementing and tracking the projects' Section 3 training and employment goals. Describe their prior experience in this area.
2. Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate, and hire Section 8 and other low-income persons. Identify any private or public resources that will be used.
3. Describe contractor's activities to be taken for recruiting, soliciting, encouraging, facilitating and selecting Section 3 subcontractors, where applicable.
4. Describe plans to structure project activities in ways that create opportunities for Section 3 firms' participation, where applicable.

YOUR RESPONSES TO QUESTIONS 1-4, WILL CONSTITUTE YOUR PLAN; PLEASE ATTACH YOUR PLAN DOCUMENT AND ALSO INCLUDE THE FOLLOWING INFORMATION ON YOUR PLAN:

- (1) COMPANY NAME**
- (2) YOUR NAME AND PHONE NUMBER**
- (3) BID NUMBER AND NAME.**

SAMPLE PLAN (Cont.)

PLEASE RE-TYPE YOUR OWN FIRM'S PLAN ON YOUR FIRM STATIONERY

FIRM NAME, ADDRESS, TELEPHONE AND FAX NUMBER

Question #1

Identify individuals responsible for planning, implementing, and tracking the project's Section 3 training and employment goals. Describe their prior experience in this area.

The individual responsible for planning, implementing and tracking the project's Section 3 training and employment goals is John Doe, President (or the appropriate title of this individual), of name of firm (hereafter referred to as "Contractor"). He (or she) will obtain all pertinent information to become thoroughly familiar and ensure contract compliance with the HUD Section 3 Regulation. John Doe has worked on construction (or service, whichever is applicable) projects, and is qualified to administer contractor's Section 3 Economic Opportunity Plan (Plan.)

Question #2

Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate and hire Section 8 and other low-income persons. Identify any private or public resources that will be used.

The employment goal is thirty percent (30%) of the aggregate number of new hires.

Contractor will take the following steps to recruit, solicit, encourage, facilitate and hire Section 8 and other low-income persons, in the event any vacancies occur throughout the duration of the project:

1. Meet with resident associations and managers at the site where work is to take place, first, and second, at other public housing sites.
2. Schedule a time and place for Section 8 residents to complete job applications.
3. Develop a list of "pre-qualified" Section 3 and other low-income residents who could fill job vacancies that may later become available.
4. Send notices about Section 3 training and employment obligations and opportunities required for this project to labor organizations.
5. Advertise in major and community newspapers and on job sites for workers who meet the definition of a Section 3 resident.

Contractor will establish files to record and retain written documentation of all training and employment outreach efforts and resources from agency representatives and job applicants.

SAMPLE PLAN (Cont.)

Question #3

(ONLY APPLICABLE TO FIRMS THAT SUBCONTRACT)

Describe the contractor's activities to be taken for recruiting, soliciting, encouraging, facilitating and selecting Section 3 subcontractors, where applicable. • Firm Name Page 2 of 3

Contractor will take all feasible measures to recruit, solicit, encourage, facilitate, and select qualified Section 3 business subcontracting firms to perform at least 10% of the project award amount (contract sum) for each LAKE COUNTY project for which Contractor is the successful bidder.

Contractor will request the organizations, listed below, to provide lists of firms, organized by trade category, which can perform required project work (in addition to these organizations, Contractor may also contact other organizations that provide such listings):

1. Contractor's Resource Center
2. Small Business Administration
3. Minority Business Development Center

Contractor understands that, in addition to awarding work to qualified Section 3 businesses, it is our responsibility to:

1. Use the contractor's or firms solicitation letter to advertise to the "greatest extent feasible" to all firms on lists provided to us by the LAKE COUNTY and other organizations about the type of work needed to complete each LAKE COUNTY project,
2. Advise firms of Contractor's obligation to seek and award work to qualified Section 3 businesses, where feasible,
3. Clarify the definition of a Section 3 resident and business,
4. Explain how to qualify as a Section 3 business in order to be eligible to receive a preference from Contractor when subcontractor work is to be awarded, and
5. Provide Section 3 certified firms that are qualified to perform work with an opportunity to submit price quotations for LAKE COUNTY project work, and where financially feasible, hire such firms as subcontractors.

SAMPLE PLAN (Cont.)

Documentation of Outreach to find Eligible Section 3 Subcontracting Firms

1. Contractor will establish files to record and retain written documentation of all outreach efforts and responses received from organizations and subcontractors who are contacted.
2. Contractor will fax the LAKE COUNTY Solicitation Letter to all firms that these organizations identify, based on each category of work required for each project.
3. Contractor will provide LAKE COUNTY with copies of its facsimile receipts to each of the organizations listed in its Plan and their responses.
4. Contractor will provide LAKE COUNTY with copies of its facsimile receipts and responses received from every firm that is faxed for each LAKE COUNTY project.
5. Contractor will provide LAKE COUNTY with an outreach close-out letter for each project awarded that refers to an attached outreach summary report. If Contractor is unable to meet LAKE COUNTY'S requirement to contract at least 10% of the award amount to Section 3 businesses, Contractor will include in its close-out letter an explanation as to why this requirement was not met.
6. The outreach summary report, referred to in No. 5, above, will list all contacts made to each organization or association, the individual firms subsequently contacted, categorized by trade, and the bid amount or other type of responses received from each firm (similar to the sample outreach summary report attached to Contractor's Plan.)
7. If a firm is non-responsive, Contractor agrees to make a second attempt at getting them to respond, failing which, Contractor will move on to another company, all of which will be submitted to LAKE COUNTY, and referred to in the outreach close-out letter and summary report.

Question #4

(ONLY APPLICABLE TO FIRMS THAT SUBCONTRACT)

Describe plans to structure project activities in ways to create opportunities for Section 3 firms to participate, where applicable.

Contractor will make every effort to structure project activities to increase opportunities for Section 3 businesses. This will be accomplished by sub-dividing the work into smaller amounts, or by using multiple firms to complete similar types of work.

Submitted by: _____ Submission Date: _____

President Name _____

Exhibit G: Special Conditions

SECTION 3 SPECIAL CONDITIONS

The Lake County Housing Division has initiated efforts to enhance resident hiring in specific procurement areas. These initiatives are designed to set the requirements for resident hiring and developing and/or strengthening administrative procedures for facilitating contractors' hiring of Section 8 residents, other low income and /or very-low income residents residing in Lake County.

Procurement Documents

Each bidder/proposer must include a Section 3 Opportunities Plan or an Exhibit D which indicates its commitment to meet resident hiring requirements.

If a bidder/proposer fails to submit a Section 3 Opportunities Plan or an Exhibit D and the related data along with the bid/proposal, such bid/proposal will be declared as "non-responsive".

For invitations for Bids ("IFB") where awards are made to the lowest, responsive and responsible bidder, the bidder's commitment to satisfy resident hiring requirements will be a factor used in determining whether the bidder is "responsive".

For RFQ's, RFP's and IFB's, contractors shall be required to detail the cost of the bid or proposal by separately categorizing contract cost by labor (person hours and dollar amounts).

Enforcement

To enforce the decision-making process pertaining to determining applicable percentages for resident hiring, enforcement strategies are set forth below. During the post award or pre-bid conference, the objective shall be to impact critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail: (Non-construction contracts does not require Davis-Bacon)

Davis-Bacon
Minority and Women Owned Business Participation
Resident Hiring Professional

Each representative will define specific functional requirements and require the contractor to certify its understanding of the terms and conditions of the contract as they pertain to Davis-Bacon, resident hiring and Minority and Women Owned Business participation.

Monitoring and Enforcement Authority and Responsibility

The function of monitoring and enforcing resident hiring will be carried out by the Section 3 Coordinator, including all field activities.

DEFINITION:

For participation in the Resident Hiring effort, a resident is defined as anyone who is receiving Section 8 assistance and individuals residing within Lake County who can be classified as

low-and very-low income.